

-Proposed Legislation Tackles Oil Cartels – *Washington, D.C.* – U.S. Rep. John Hall (D-NY19) helped the House pass H.R. 6074, the Gas Price Relief for Consumers Act, which would authorize the Justice Department to take legal action against OPEC state-controlled entities that participate in conspiracies to limit the supply or fix the price of oil, and would attempt to curb any price gouging by oil companies and refiners that may be contributing to the steep rise in gas prices. The bill passed in the House 324-84.

“This week we take a stand against unfair gas prices,” said Hall. “For too long, American drivers have been at OPEC’s mercy every time they pull up to the pump. This bill would help end the price gouging by big oil and help put the brakes on international oil cartels behaving illegally to keep prices high.”

The bill incorporates language from H.R. 2264, the No Oil Producing and Exporting Cartels Act (NOPEC), which the House passed last year by a vote of 345-72. When the House passed this bill, the price of crude oil was \$65 a barrel and gas was above \$3 a gallon. Today, crude oil is over \$125 a barrel and many gas stations across the country are selling gas for over \$4 a gallon.

Like NOPEC, it gives U.S. authorities the ability to prosecute anticompetitive conduct committed by international cartels that restricts the supply of oil and drives up prices. OPEC is the world’s most well-known oil cartel and accounts for more than two-thirds of global oil production. The Gas Price Relief for Consumers Act, and its NOPEC provisions, brings the conduct of international oil cartels within reach of the U.S. antitrust laws.

The Gas Price Relief for Consumers Act builds on NOPEC by authorizing the creation of the Department of Justice Petroleum Industry Antitrust Task Force. The Task Force will investigate the existence and effects of price gouging in the sale of gasoline, anticompetitive price discrimination by oil refiners, and any actions to withhold oil supply in order to inflate prices.

The legislation would also ask the Government Accountability Office (GAO) to conduct a study on the effects on competition of prior company mergers and sales in the oil industry. It would determine what effects large mergers like that of Exxon/Mobil had on the market.

Hall also cosponsored the Strategic Petroleum Reserve (SPR) Fill Suspension and Consumer Protection Act which passed both the House and Senate last week by veto-proof margins. Since that vote, the Energy Department has stopped signing contracts for the receipt and shipment of oil to the SPR.